

ATLANTA AND WEST POINT RAIL ROAD COMPANY / ANNUAL REPORT / 1966

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**ANNUAL REPORT OF THE ATLANTA AND WEST POINT RAIL ROAD COMPANY
FOR THE YEAR ENDED DECEMBER 31, 1966**

J. ARCH AVARY, JR., *Atlanta, Georgia*
EDWARD G. COLE, JR., *Newnan, Georgia*
JOHN W. DENT, *Atlanta, Georgia*
WILLIAM H. KENDALL, *Louisville, Kentucky*
JOSEPH L. LANIER, *West Point, Georgia*
J. CLYDE MIXON, *Atlanta, Georgia*
CARL J. REITH, *Atlanta, Georgia*
W. THOMAS RICE, *Jacksonville, Florida*
DONALD D. STRENCH, *Atlanta, Georgia*
Emeritus Director

SAMUEL R. YOUNG, *College Park, Georgia*

JAN 29 1968 Co J

WILLIAM H. KENDALL
W. THOMAS RICE
DONALD D. STRENCH

DONALD D. STRENCH, *President and General Manager*
TIMOTHY C. BULLARD, *Treasurer*
JOHN E. MACCARTHY, *Comptroller*
EDGAR J. HALEY, *General Superintendent*
KENNETH C. DUFFORD, *Assistant to General Manager*
TRAVIS P. KING, *Director of Personnel*
JAMES B. WILSON, *Chief Engineer*
HENRY W. BRAY, *Purchasing Agent*
ANDREW P. MCELROY, *General Passenger Agent*
JOSEPH E. SAUCIER, *Manager of Industrial Development*
HERBERT B. BAINBRIDGE, *Real Estate Agent*
WILBUR T. MARTIN, *Chief Traffic Officer — Sales*
T. LESLIE SMITH, *Chief Traffic Officer — Marketing and Research*
EDENFIELD, HEYMAN AND SIZEMORE, *General Counsel*

CONTENTS

1966 ANNUAL REPORT

PRESIDENT AND GENERAL MANAGER'S REPORT	3
MAP	7
MILEAGE OPERATED	8
RAILWAY TAX ACCRUALS	8
ACCOUNTANTS' OPINION	9
BALANCE SHEET	10
INCOME STATEMENT	12
OPERATING EXPENSES	14
EXPENSE AND REVENUE STATISTICS	16
CLASSIFICATION OF FREIGHT TRAFFIC	17
FREIGHT AND PASSENGER STATISTICS	19
TRAIN, LOCOMOTIVE AND CAR MILES	20
PROPERTIES	21
EQUIPMENT	22

TO THE STOCKHOLDERS:

The operations of your railroad during 1966 were successful and continued to improve over 1965. Our predictions last year for a more profitable future began to materialize, and it is gratifying to report that net earnings showed a substantial improvement. The year's income was greatly enhanced from sale of land in College Park, Georgia, for industrial development. Net income from railway operations, although not in itself substantial, is a decided improvement over the deficit of last year. Freight revenue showed an encouraging advancement, reaching the highest level in 14 years.

Although wages and prices increased generally, operating expenses were closely held, increasing only 1.2 percent over last year, resulting in an improved operating ratio of 84.70.

By constantly studying methods of operating at greater efficiency, and placing into effect all possible economies, we are striving to offset increasing expenses and improve our income accomplishments.

This report contains a summary of operations in 1966 and statements of your company's financial condition at the end of the year.

EARNINGS

Railway operating income was \$357,614.16, an increase of 98 percent over 1965. Earnings per share of stock amounted to \$6.25, a very fine improvement over the deficit of \$2.66 per share last year. Net income for 1966 was \$154,037.68.

Earnings are not affected by income tax considerations due in part to the carry-over provisions of the revenue code.

DIVIDENDS

Your company continued to maintain the strong financial condition it has enjoyed in the past. This, together with an accumulation of earnings from previous years, justified a continuance of dividends. Stockholders received a dividend of \$2 a share as of August 1, 1966, and \$2 a share as of December 7, 1966.

FREIGHT TRAFFIC

For the fifth consecutive year, freight revenue continued to grow, amounting to \$3,106,766.46 in 1966, an increase of \$205,637.56 or 7.1 percent over 1965.

Those commodities producing the most significant revenue increases were metallic ores, prepared foods, pulpwood, paper and chemicals. The number of tons handled was 3,132,520, an increase of 206,140 over

1965. Your attention is directed to pages 17, 18, and 19 of this report for comparative statistics on commodities, tonnage and revenue.

Due to work stoppage and other economic conditions which affected construction during 1966, movements of building materials decreased. We anticipate increased activity in this area in the latter part of 1967.

Generally the traffic pattern is expanding, and continues to grow along the route of your railroad. Your railroad is strategically located to benefit significantly from the economic development of the area that it serves.

Piggyback service maintained its rapidly growing pace. Cars handled in 1966 continued to increase. Our interests in piggyback operations are proving worthwhile, offering improved and specialized service to our shippers and profits to your railroad.

PASSENGER, ALLIED AND MISCELLANEOUS

Passenger revenue decreased 3.4 percent in 1966 over 1965. The decrease was less than in previous years due to the summer airline strike. Sufficient patronage was not available along our route, due to paralleling highways and airline service, to profitably operate all passenger trains. Accordingly, during the year applications were successfully made to regulatory bodies for permission to discontinue trains 33 and 34, the Piedmont Limited. These trains made their last runs in October and it is felt their elimination will help to relieve the passenger deficit in future years.

Mail revenue decreased 5.5 percent due principally to the discontinuance of trains 33 and 34.

OPERATING EXPENSES

Expenses of operations were closely controlled, increasing only 1.2 percent over 1965. Operating expenses for the year were \$3,213,002.49. Absorbed into the increase of only \$39,646.02 is additional wage and fringe benefits, and higher cost of materials and supplies.

General track maintenance during the year included installation of 8,442 cross ties, 15,390 fbm of bridge ties, and 6,124 cubic yards of stone ballast. Our rail laying program was progressed during the year by installation of 4.48 miles of 115 pound welded rail. At the close of the year, approximately 50 percent of our main tracks were laid with 115 pound rail, with the remaining 50 percent laid with 100 pound rail.

Substantial additions have been made to the transportation radio facilities, and additional equipment and facilities will be provided in 1967.

Other categories of expenses increased generally due to wage increments which will be discussed later in this report. Our efforts are continually directed in the area of improved services, minimized expenses and profitable operations, while improving the maintenance and modernization of our equipment, tracks, and structures.

The accompanying graph shows the relationship maintained over a period of ten years between revenues and expenses. Others show the degree to which it has been possible to increase efficiency in the face of increasing unit cost.

RAILWAY TAX ACCRUALS

On January 1, 1966, a costly railroad retirement tax amendment was enacted which raised the tax rate from 7.125 percent on \$450.00 of monthly earnings to 7.95 percent on \$550.00. As a result, railroad retirement taxes increased from \$89,727.00 in 1965 to \$104,579.00 in 1966. Another employee tax imposed effective November 1, 1966, was the supplemental railroad retirement annuity tax of 2 cents an hour for each employee hour worked. It is estimated that the annuity tax will cost \$13,301.52 annually.

Other taxes fluctuated normally. Total provisions for Railway Tax Accruals amounted to \$235,018.00, an increase of \$16,254.00 over 1965. The tax schedule on page 8 presents an analysis of tax accruals in more detail.

EQUIPMENT RENTS

Equipment rents continue as a costly element of operations. Net equipment rents amounted to \$121,130.69, an increase of \$38,794.31 over 1965. The many additional cars required to handle our growing volume of business, higher rental of specialized equipment, and private line mileage payments account for the increase.

WAGE AND LABOR NEGOTIATIONS

The wage agreement signed in 1964 which gave non-operating employees an additional 9 cents an hour effective January 1, 1964, 1965, and 1966 was responsible for most of the 1966 wage increases.

During the year an agreement was signed with trainmen providing for a 5 percent increase in pay effective August 12, 1966.

At the close of 1966, agreements were completed with most crafts, providing generally, effective January 1, 1967, a 5 percent increase in wages and three weeks vacation for qualifying employees with ten years of service. Previously such employees qualified with fifteen years of service.

CAPITAL EXPENDITURES

From 1957 through 1966, substantial investments have been made in road and equipment. Between these dates \$2,302,947.00 was disbursed for this purpose, principally for equipment.

Roadway capital expenditures included additions and betterments to tracks, stations and office buildings. Progress was made in retiring unneeded roadway facilities.

At the end of 1966, debt for equipment purchases amounted to \$1,190,161.99. A reduction of \$155,350.-32 was made during the year.

Early in 1967 an order was placed for a 3,000 horse-power GP-40 diesel locomotive, which will materially strengthen our power status. Delivery of this unit is expected in May.

Please see page 21 of this report for more detailed information on capital expenditures.

INDUSTRIAL DEVELOPMENT

Noteworthy gains were made during 1966 in industrial development. Our efforts during the year resulted in attracting 9 new industries to your railroad, with 3 expanding their existing facilities.

Associated Grocers Co-op, Inc., purchased 41 acres from your company at College Park, Georgia. Plans call for a 3 million dollar investment. Owens-Corning Fiberglas expect to start construction of a large building materials plant in late summer on the 132 acre Fairburn tract purchased from the company last year.

Other industries locating on our rails were Cooper Tire Company, Moore-Handley, Inc., Ralston Purina Company, and Williams Brothers Ready Mix Concrete, Inc. Callaway Mills also announced plans for expanding their facilities at LaGrange.

The accelerated economic growth of the area served by your railroad should be an impetus to the further development of new business on our lines.

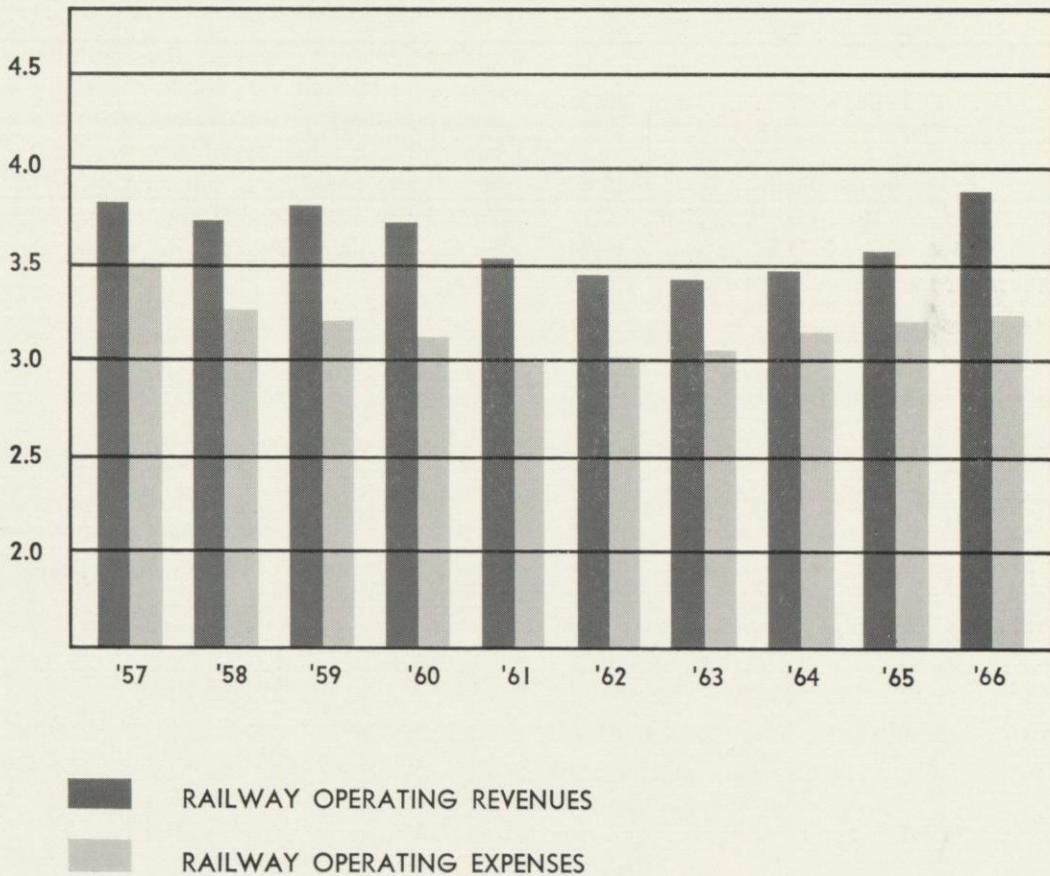
STAFF CHANGES

During the year, several staff members retired after many years of loyal and efficient service. J. Clyde Mixon, who was appointed President and General Manager on November 15, 1953, retired April 27, 1966, after a long and successful career. Donald D. Strench was appointed President and General Manager on April 27, 1966, after serving as Assistant General Manager.

Marshall L. Bowie, Assistant to General Manager and Director of Personnel, retired August 1, 1966, after

**RELATIONSHIP BETWEEN OPERATING
REVENUES AND EXPENSES BY YEARS
1957 TO 1966**

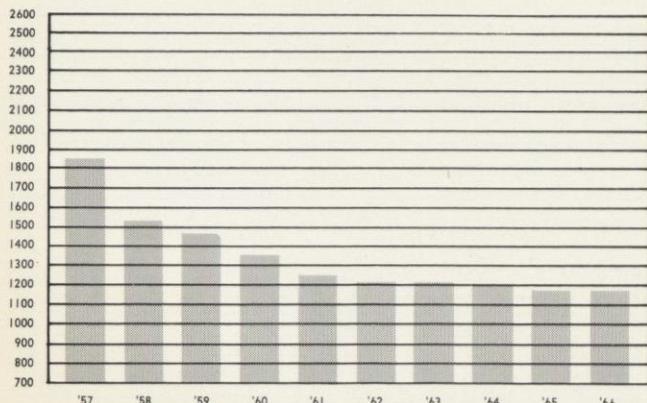
MILLIONS OF DOLLARS



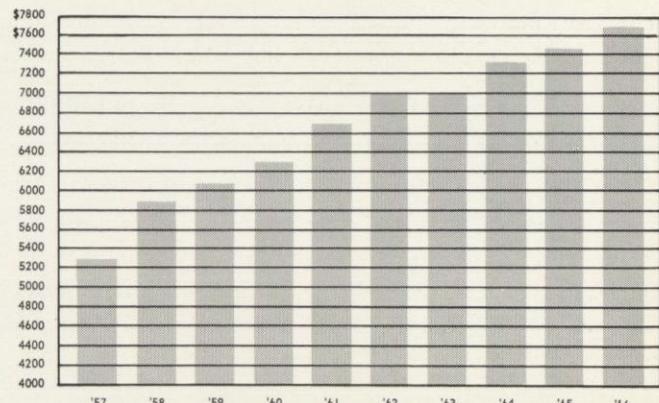
CHARTS REPRESENT TOTALS OF JOINTLY OPERATED LINES

Atlanta and West Point Rail Road Company
The Western Railway of Alabama
Georgia Railroad

AVERAGE NUMBER OF EMPLOYEES
1957-1966



AVERAGE COMPENSATION PER EMPLOYEE
1957-1966



47 years of outstanding service. Travis P. King was appointed Director of Personnel on August 1, 1966.

Others retiring were J. T. McElhinney, H. S. Johnson and E. F. Cavaleri from the Traffic Department.

Kenneth C. Dufford joined our staff on August 16, 1966, as Assistant to General Manager.

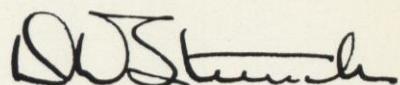
A Marketing and Research Department was established effective March 1, 1966, with T. Leslie Smith as Chief Traffic Officer.

It is with regret we report the death of L. J. Linane, General Freight Agent, on December 22, after his retirement on August 1, 1966. Mr. Linane was a loyal and capable officer for more than 39 years.

GENERAL

Your company looks forward with confidence to a successful and growing future. Every possible effort will be taken to enhance our competitive standing and advance our railroad along with a high level of growth enjoyed by the area it serves.

Standing high amongst the important elements of successful railroad operations, are the goodwill, confidence, and support of our customers, and the interest, capability and loyalty of our individual officers and employees. To all those affiliated with The Atlanta and West Point Rail Road Company, we offer our sincere thanks for their contributions to the achievements of 1966.

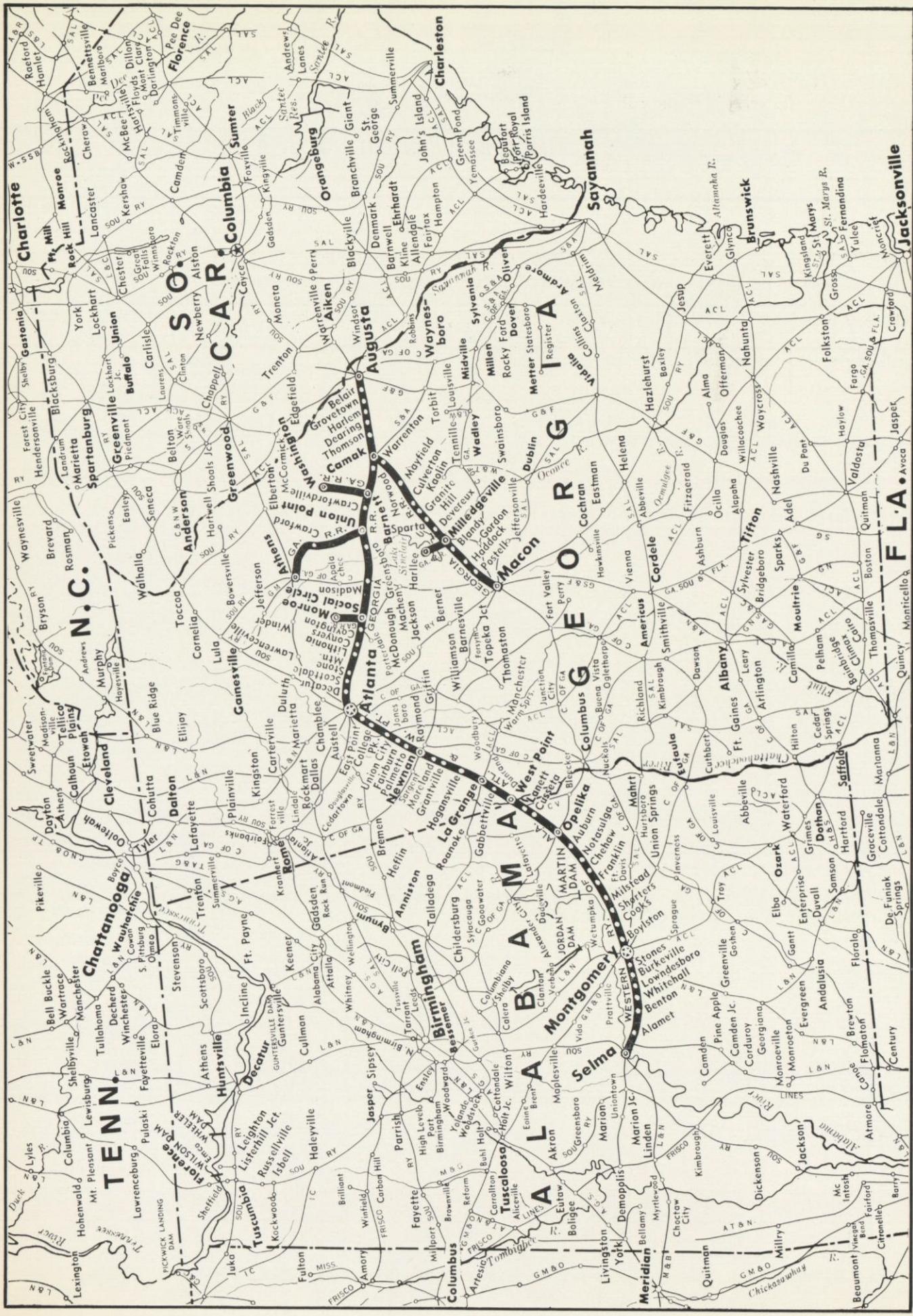


President and General Manager

Atlanta, Georgia

April 25, 1967

Atlanta and West Point Railroad Company / The Western Railway of Alabama / Georgia Railroad



MILEAGE OPERATED

Miles of road operated at December 31, 1966:

MAIN LINE:

Atlanta to West Point.....	85.72		
Less—Leased to Atlanta Terminal Company.....	0.10	85.62	
Hulsey Junction to Oakland City.....		5.16	90.78

TRACKAGE RIGHTS:

Atlanta Terminal Company, Atlanta.....	0.46		
Central of Georgia Railway, Oakland Junction.....		0.05	
Georgia Railroad (Atlanta Joint Terminals).....		2.02	2.53
Total mileage operated.....			93.31

Total mileage operated in freight and passenger service was 90.44 and 86.08 miles, respectively.

TAXES

	1966	1965	Increase —Decrease	
			Amount	Per Cent
UNITED STATES GOVERNMENT TAXES:				
Railroad Retirement.....	\$ 104,579	\$ 89,727	\$ 14,852	16.55
Unemployment Insurance.....	40,281	41,067	—786	—1.91
Other.....	1,565	1,026	539	52.53
Total.....	146,425	131,820	14,605	11.08
STATE AND LOCAL TAXES:				
Property.....	53,164	54,490	—1,326	—2.43
Sales and use.....	20,105	18,227	1,878	10.30
Other.....	2,941	2,817	124	4.40
Total.....	76,210	75,534	676	0.89
TOTAL.....	222,635	207,354	15,281	7.37
Taxes on nonoperating property.....	12,383	11,410	973	8.53
GRAND TOTAL.....	\$ 235,018	\$ 218,764	\$ 16,254	7.43

—Decrease

HASKINS & SELLS
ACCOUNTANTS

ATLANTA

ACCOUNTANTS' OPINION

Atlanta and West Point Rail Road Company:

We have examined the balance sheet of Atlanta and West Point Rail Road Company as of December 31, 1966 and the related statements of income and of retained income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Company maintains its accounts in conformity with the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission and the accompanying financial statements have been prepared in accordance therewith. As explained in Note 1, the provisions of such systems vary in certain respects from generally accepted accounting principles.

In our opinion, with the exception referred to in the preceding paragraph, the accompanying financial statements present fairly the financial position of the Company at December 31, 1966 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

April 11, 1967

BALANCE SHEET
ASSETS

	December 31	
	1966	1965
CURRENT ASSETS:		
Cash	\$ 234,667.15	\$ 206,962.85
Temporary cash investments	784,480.00	977,805.00
Net balance receivable from agents	70,453.76	76,640.55
Miscellaneous accounts receivable	42,233.32	40,857.16
Accrued accounts receivable	40,508.51	139,064.00
Material and supplies	201,526.80	198,900.17
Prepayments and other current assets	10,334.54	21,543.53
Total	1,384,204.08	1,661,773.26
SPECIAL FUND:		
Insurance	2,409.47	2,402.90
INVESTMENTS:		
Investments in affiliated companies	233,050.13	232,540.78
PROPERTIES:		
Transportation—		
Road and equipment	11,308,146.77	11,293,664.81
Less accrued depreciation and amortization	5,222,820.62	5,077,536.48
Total transportation property, less recorded depreciation and amortization	6,085,326.15	6,216,128.33
Miscellaneous		
Less accrued depreciation	774,736.84	482,907.43
Total miscellaneous property, less recorded depreciation	174,104.71	174,104.71
Total properties, less recorded depreciation and amortization	600,632.13	308,802.72
Total properties, less recorded depreciation and amortization	6,685,958.28	6,524,931.05
OTHER ASSETS AND DEFERRED CHARGES:		
Other assets	28,701.61	29,117.56
Deferred charges	29,676.91	27,870.58
Total	58,378.52	56,988.14
TOTAL	\$ 8,364,000.48	\$ 8,478,636.13

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31	
	1966	1965
CURRENT LIABILITIES:		
Traffic and car-service balances—net	\$ 11,131.27	\$ 145,413.27
Audited accounts payable	180,036.74	125,332.27
Miscellaneous accounts payable	142,362.44	176,217.96
Unmatured interest accrued	1,345.43	1,536.89
Accrued accounts payable	229,910.37	182,942.42
Taxes accrued	2,350.46	1,266.57
Total (exclusive of long-term debt due within one year)	567,136.71	632,709.38
LONG-TERM DEBT DUE WITHIN ONE YEAR:		
Equipment obligations	148,959.32	155,350.32
LONG-TERM DEBT:		
Equipment obligations	1,041,202.67	1,190,161.99
RESERVE:		
Insurance	125,152.37	124,803.43
OTHER LIABILITIES AND DEFERRED CREDITS:		
Other liabilities	37,338.40	3,585.04
Deferred credits	100,113.26	83,421.90
Total	137,451.66	87,006.94
SHAREHOLDERS' EQUITY:		
Capital stock—authorized, 25,000 shares of \$100 par value each; outstanding, 24,636 shares	2,463,600.00	2,463,600.00
Retained income	3,880,497.75	3,825,004.07
Total	6,344,097.75	6,288,604.07
TOTAL	\$ 8,364,000.48	\$ 8,478,636.13

See the accompanying Notes to Financial Statements.

STATEMENT OF INCOME

	1966	1965	Increase or Decrease
OPERATING INCOME:			
Railway Operating Income:			
Railway operating revenues.....	\$ 3,793,252.11	\$ 3,561,342.57	\$ 231,909.54
Railway operating expenses.....	3,213,002.49	3,173,356.47	39,646.02
Net revenue from railway operations.....	580,249.62	387,986.10	192,263.52
Railway tax accruals.....	222,635.46	207,353.74	15,281.72
Railway operating income.....	357,614.16	180,632.36	176,981.80
Rent Income:			
Rent from locomotives.....	6,286.74	8,631.86	—2,345.12
Rent from passenger-train cars.....	46,574.76	69,004.55	—22,429.79
Rent from work equipment.....	7,942.16	4,754.04	3,188.12
Joint facility rent income.....	19,210.73	18,920.87	289.86
Total rent income.....	80,014.39	101,311.32	—21,296.93
Rent Payable:			
Hire of freight cars—net.....	97,832.06	90,997.30	6,834.76
Rent for locomotives.....	13,130.99	13,406.95	—275.96
Rent for passenger-train cars.....	68,129.68	58,432.22	9,697.46
Rent for work equipment.....	2,841.62	1,890.36	951.26
Joint facility rents.....	253,201.49	258,043.11	—4,841.62
Total rent payable.....	435,135.84	422,769.94	12,365.90
Net rent payable.....	355,121.45	321,458.62	33,662.83
Net railway operating income.....	2,492.71	—140,826.26	143,318.97
OTHER INCOME:			
Miscellaneous rents.....	53,411.74	49,070.46	4,341.28
Income from nonoperating property.....	37,381.16	35,116.13	2,265.03
Dividends.....	2,000.00	2,292.50	—292.50
Interest.....	43,087.91	45,457.93	—2,370.02
Miscellaneous, property sales, etc.....	91,904.88	1,566.63	90,338.25
Total other income.....	227,785.69	133,503.65	94,282.04
Total income.....	230,278.40	—7,322.61	237,601.01
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Rents.....	5,662.74	864.09	4,798.65
Tax accruals.....	12,383.32	11,410.22	973.10
Income charges.....	2,470.71	452.80	2,017.91
Total miscellaneous deductions.....	20,516.77	12,727.11	7,789.66
Income available for fixed charges.....	209,761.63	—20,049.72	229,811.35
FIXED CHARGES:			
Interest on funded debt.....	55,723.95	45,094.15	10,629.80
Amortization of discount on funded debt.....		476.34	—476.34
Total fixed charges.....	55,723.95	45,570.49	10,153.46
NET INCOME	\$ 154,037.68	\$ —65,620.21	\$ 219,657.89
Net income per share of stock.....	6.25	—2.66	8.91

—Decrease.

See Note 1 in the accompanying Notes to Financial Statements.

STATEMENT OF RETAINED INCOME

CREDITS

Retained income, January 1, 1966.....	\$ 3,825,004.07
Net income for the year.....	154,037.68
	<hr/> <u>3,979,041.75</u>

DEBITS

Dividends to shareholders:	
\$2 a share paid August 1, 1966.....	\$ 49,272.00
\$2 a share paid December 7, 1966.....	49,272.00 98,544.00
Retained income, December 31, 1966.....	<hr/> <u>\$ 3,880,497.75</u>

NOTES TO FINANCIAL STATEMENTS

1. The provisions of the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission vary from generally accepted accounting principles in that, under the Uniform System, no accounting recognition is given to the possible effect on income taxes in future years of current reductions in income taxes resulting from the deductions for amortization and depreciation of property for income tax purposes in excess of the amounts recorded in the accounts. The cumulative amount of such reductions in income taxes included in retained income at December 31, 1966 was \$560,000, of which \$79,000 was included in net income for the year 1966.
2. The Company, together with Southern Railway Company and Central of Georgia Railway Company, jointly and severally guarantees unconditionally the payment of principal and interest of the first mortgage series A, 4% bonds of Atlanta Terminal Company due August 1, 1969, of which \$291,000 were outstanding at December 31, 1966.

OPERATING EXPENSES

ACCOUNT	1966	1965	Increase or Decrease
Maintenance of Way and Structures:			
201 Superintendence	\$ 36,816.59	\$ 32,689.09	\$ 4,127.50
202 Roadway maintenance	28,176.83	37,741.12	-9,564.29
208 Bridges, trestles and culverts	3,327.85	1,390.76	1,937.09
212 Ties	5,185.05	31,543.89	-26,358.84
214 Rails	3,793.79	4,561.16	-767.37
216 Other track material	-213.04	2,694.24	-2,907.28
218 Ballast	16,093.89	16,643.35	-549.46
220 Track laying and surfacing	56,215.09	37,946.25	18,268.84
221 Fences, snowsheds, and signs	79.97	836.77	-756.80
227 Station and office buildings	5,323.73	6,365.60	-1,041.87
229 Roadway buildings	937.80	1,753.65	-815.85
233 Fuel stations	4.84	1.69	3.15
235 Shops and enginehouses	-5.74	-25.29	19.55
247 Communication systems	12,783.09	10,658.82	2,124.27
249 Signals and interlockers	22,119.90	24,145.89	-2,025.99
263 Miscellaneous structures	726.69		726.69
266 Road property—Depreciation	102,363.24	102,124.71	238.53
267 Retirements—Road	14,135.44	2,768.88	11,366.56
269 Roadway machines	18,096.77	15,086.66	3,010.11
270 Dismantling retired road property	2,325.18	2,106.34	218.84
271 Small tools and supplies	11,397.31	8,133.83	3,263.48
272 Removing snow, ice and sand		88.71	-88.71
273 Public improvements—Maintenance	11,112.21	6,507.60	4,604.61
274 Injuries to persons	1,731.52	1,733.46	-1.94
275 Insurance	540.06	424.23	115.83
276 Stationery and printing	579.89	558.96	20.93
277 Employees health and welfare benefits	10,378.34	8,236.35	2,141.99
278 Maintaining joint tracks, yards and other facilities—Debit	95,112.85	93,137.54	1,975.31
279 Maintaining joint tracks, yards and other facilities—Credit	-5,697.52	-8,680.44	2,982.92
282 Other expenses	343.78	47.50	296.28
Total	453,785.40	441,221.32	12,564.08
Maintenance of Equipment:			
301 Superintendence	22,286.96	22,387.49	-100.53
311 Other locomotives—Repairs	153,006.19	150,564.89	2,441.30
314 Freight train cars—Repairs	198,338.37	208,850.58	-10,512.21
317 Passenger train cars—Repairs	72,641.83	81,331.96	-8,690.13
326 Work equipment—Repairs	1,659.83	1,684.61	-24.78
328 Miscellaneous equipment—Repairs	3,725.29	2,845.93	879.36
331 Equipment—Depreciation	183,542.36	176,748.80	6,793.56
332 Injuries to persons	1,959.40	1,712.52	246.88
333 Insurance	2,023.27	2,159.81	-136.54
334 Stationery and printing	541.49	623.39	-81.90
335 Employees health and welfare benefits	16,204.08	15,263.48	940.60
336 Joint maintenance of equipment expenses—Debit	15,871.98	24,658.87	-8,786.89
337 Joint maintenance of equipment expenses—Credit	-1,342.08	-1,092.31	-249.77
339 Other expenses	9.69	32.12	-22.43
Total	670,468.66	687,772.14	-17,303.48
Traffic:			
351 Superintendence	59,117.25	57,989.87	1,127.38
352 Outside agencies	140,051.20	140,604.04	-552.84
353 Advertising	2,884.66	2,411.36	473.30
354 Traffic associations	3,469.43	3,566.32	-96.89
356 Industrial and immigration bureaus	11,466.48	9,836.37	1,630.11
357 Insurance	72.04	69.10	2.94
358 Stationery and printing	14,684.05	13,199.01	1,449.04
359 Employees health and welfare benefits	9,033.47	7,425.01	1,608.46
360 Other expenses	3.62		3.62
Total	\$ 240,746.20	\$ 235,101.08	\$ 5,645.12

—Decrease.

OPERATING EXPENSES

ACCOUNT	1966	1965	Increase or Decrease
Transportation—Rail Line:			
371 Superintendence	\$ 30,588.63	\$ 28,338.59	\$ 2,250.04
372 Dispatching trains	15,750.53	15,534.76	215.77
373 Station employees	173,649.63	166,755.31	6,894.32
374 Weighing, inspection and demurrage bureaus	6,504.13	6,197.41	306.72
376 Station supplies and expenses	8,322.42	7,768.32	554.10
378 Yard conductors and brakemen	45,644.65	49,501.71	-3,857.06
380 Yard enginemen	29,221.39	30,596.11	-1,374.72
382 Yard switching fuel	4,216.18	4,394.41	-178.23
386 Lubricants for yard locomotives	108.76		108.76
387 Other supplies for yard locomotives	161.88	175.46	-13.58
389 Yard supplies and expenses	5.75		5.75
390 Operating joint yards and terminals—Debit	525,509.17	545,443.93	-19,934.76
391 Operating joint yards and terminals—Credit	-76,333.39	-86,304.33	9,970.94
392 Train enginemen	141,595.84	148,101.81	-6,505.97
394 Train fuel	146,828.13	136,811.06	10,017.07
397 Water for train locomotives	856.24	1,169.57	-313.33
398 Lubricants for train locomotives	9,673.16	11,861.66	-2,188.50
399 Other supplies for train locomotives	2,584.96	2,197.91	387.05
400 Enginehouse expenses—Train	54,860.61	50,892.41	3,968.20
401 Trainmen	224,742.83	220,709.40	4,033.43
402 Train supplies and expenses	62,034.85	64,784.14	-2,749.29
403 Operating sleeping cars	34,280.07	36,615.89	-2,335.82
404 Signal and interlocker operation	8,898.70	11,551.89	-2,653.19
405 Crossing protection	-77.83	366.95	-444.78
407 Communication system operation	5,360.48	5,127.68	232.80
409 Employees health and welfare benefits	28,613.42	27,325.47	1,287.95
410 Stationery and printing	5,669.74	5,504.39	165.35
411 Other expenses	99.60	290.76	-191.16
412 Operating joint tracks and facilities—Debit	20,698.19	16,971.90	3,726.29
413 Operating joint tracks and facilities—Credit	-8,320.00	-9,117.42	797.42
414 Insurance	7,882.14	7,080.62	801.52
415 Clearing wrecks	5,193.19	2,185.03	3,008.16
416 Damage to property	5,455.86	2,340.22	3,115.64
418 Loss and damage—Freight	28,984.48	29,302.42	-317.94
419 Loss and damage—Baggage	10.65	18.61	-7.96
420 Injuries to persons	31,001.75	7,005.59	23,996.16
Total	1,580,276.79	1,547,499.64	32,777.15
Miscellaneous Operations:			
441 Dining and buffet service	30,979.09	24,183.24	6,795.85
449 Employees health and welfare benefits	710.03	669.32	40.71
Total	31,689.12	24,852.56	6,836.56
General:			
451 Salaries and expenses of general officers	39,752.69	39,353.64	399.05
452 Salaries and expenses of clerks and attendants	118,989.18	124,535.97	-5,546.79
453 General office supplies and expenses	18,553.68	16,383.92	2,169.76
454 Law expenses	10,521.29	12,437.53	-1,916.24
455 Insurance	101.08	97.25	3.83
456 Employees health and welfare benefits	8,426.63	7,541.26	885.37
457 Pensions	10,042.47	7,344.24	2,698.23
458 Stationery and printing	11,079.65	8,873.78	2,205.87
460 Other expenses	5,700.04	7,007.08	-1,307.04
461 General joint facilities—Debit	12,869.61	13,335.06	-465.45
Total	236,036.32	236,909.73	-873.41
Total railway operating expenses	\$ 3,213,002.49	\$ 3,173,356.47	\$ 39,646.02
Ratio of operating expenses to operating revenues	84.70	89.11	-4.41

—Decrease.

RAILWAY OPERATING REVENUES

YEAR ENDED DECEMBER 31	Freight	Passenger	Mail	Express	All Other Transportation	Incidental	Joint Facility- Credit	Joint Facility- Debit	Total Railway Operating Revenues
1957	\$2,818,767.31	\$ 341,992.42	\$ 228,678.35	\$ 165,689.09	\$ 72,444.67	\$ 86,359.63	\$ 105,428.44	\$ 97.56	\$3,819,262.35
1958	2,718,845.76	286,998.28	241,616.42	162,880.15	74,546.85	75,120.84	98,352.37	98.36	3,658,262.31
1959	2,878,895.10	260,690.17	222,552.02	211,151.19	71,607.23	78,867.36	91,168.70	131.84	3,814,759.93
1960	2,792,647.11	262,142.70	203,783.66	179,453.23	67,308.09	88,203.03	78,209.72	104.18	3,671,643.36
1961	2,720,426.20	247,665.21	229,351.50	143,168.38	39,397.04	77,232.92	77,011.46	127.02	3,534,125.69
1962	2,636,943.56	257,875.55	231,136.49	100,390.20	30,637.39	80,753.16	76,620.56	126.19	3,414,230.72
1963	2,656,269.83	235,885.30	239,467.12	94,161.19	26,395.94	74,966.61	73,854.06	124.79	3,400,875.26
1964	2,755,142.60	208,329.02	233,790.94	102,015.82	27,187.94	87,754.06	75,723.86	133.29	3,489,810.95
1965	2,901,128.90	176,887.05	211,159.64	97,081.58	22,872.95	79,019.31	73,358.30	145.16	3,561,342.57
1966	3,106,766.46	170,936.78	199,563.64	111,754.64	25,934.53	97,332.06	81,114.36	150.36	3,793,252.11

RAILWAY OPERATING EXPENSES AND NET REVENUE FROM RAILWAY OPERATIONS

YEAR ENDED DECEMBER 31	Mainte- nance of Way and Structures	Mainte- nance of Equipment	Traffic	Transpor- tation	Miscel- laneous	General	Total Railway Operating Expenses	Net Revenue From Railway Operations	Ratio Operating Expenses to Operating Revenues
1957	\$ 517,372.51	\$ 727,617.46	\$ 209,546.83	\$1,779,147.73	\$ 40,711.20	\$ 216,271.22	\$3,490,666.95	\$ 328,595.40	91.40
1958	444,763.18	620,883.96	203,234.04	1,751,067.41	37,237.98	217,418.78	3,274,605.35	383,656.96	89.51
1959	504,720.90	625,446.24	215,700.16	1,608,153.81	40,835.95	217,748.54	3,212,605.60	602,154.33	84.22
1960	475,714.42	594,053.50	218,400.72	1,559,452.04	40,066.95	228,566.47	3,116,254.10	555,389.26	84.87
1961	406,862.22	574,269.28	226,446.56	1,519,164.02	41,173.42	216,359.15	2,984,274.65	549,851.04	84.44
1962	449,873.43	571,609.85	231,871.30	1,505,374.71	40,297.59	219,939.14	3,018,966.02	395,264.70	88.42
1963	410,192.47	659,895.45	216,847.71	1,474,871.32	41,972.46	218,376.84	3,022,156.25	378,719.01	88.86
1964	435,764.08	689,477.98	220,600.54	1,534,143.40	32,972.94	217,375.31	3,150,334.25	359,476.70	89.70
1965	441,221.32	687,772.14	235,101.08	1,547,499.64	24,852.56	236,909.73	3,173,356.47	387,986.10	89.11
1966	453,785.40	670,468.66	240,746.20	1,580,276.79	31,689.12	236,036.32	3,213,002.49	580,249.62	84.70

CLASSIFICATION OF FREIGHT TRAFFIC

COMMODITY	1966		1965		Increase or Decrease TONS
	No. of TONS	Pct. to TOTAL TONS	No. of TONS	Pct. to TOTAL TONS	
Farm Products					
Cotton	168,162	5.37	156,308	5.34	11,854
Potatoes	5,481	0.17	4,330	0.15	1,151
Others	24,884	0.80	18,231	0.62	6,653
Total	198,527	6.34	178,869	6.11	19,658
Forest Products					
Fish and Other Marine Products	6,556	0.21	5,035	0.17	1,521
Metallic Ores	740	0.02	245	0.01	495
Coal	230,410	7.36	197,901	6.76	32,509
Nonmetallic Minerals, Except Fuels	23,759	0.76	19,635	0.67	4,124
Gravel	65,289	2.08	59,838	2.04	5,451
Sand	197,113	6.29	266,034	9.09	-68,921
Stone	162,001	5.18	153,863	5.26	8,138
Others	78,300	2.50	62,826	2.15	15,474
Total	502,703	16.05	542,561	18.54	-39,858
Ordnance and Accessories					
Foods and Kindred Products					
Canned Fruits and Vegetables	314	0.01	766	0.03	-452
Cottonseed and Soybean Oil	11,322	0.36	9,032	0.31	2,290
Flour	40,249	1.29	44,089	1.51	-3,840
Prepared Foods	34,988	1.12	30,203	1.03	4,785
Sugar	51,366	1.64	14,948	0.51	36,418
Others	57,127	1.82	51,011	1.74	6,116
Total	256,091	8.18	250,174	8.55	5,917
Tobacco Products					
Basic Textiles	4,069	0.13	3,809	0.13	260
Apparel and Other Finished Textile Products, Including Knitted	29,855	0.95	29,060	0.99	795
Lumber and Wood Products, Except Furniture	1,553	0.05	1,588	0.05	-35
Lumber	75,786	2.42	83,391	2.85	-7,605
Pulpwood Logs	95,620	3.05	70,972	2.43	24,648
Veneer and Plywood	46,743	1.49	51,020	1.74	-4,277
Others	21,201	0.68	30,790	1.06	-9,589
Total	239,350	7.64	236,173	8.08	3,177
Furniture and Fixtures					
Pulp, Paper and Allied Products					
Paper, Bags and Boxes	8,448	0.27	8,727	0.30	-279
Paperboard, Pulpboard, etc.	82,947	2.65	62,670	2.14	20,277
Others	159,244	5.08	170,278	5.82	-11,034
Total	303,049	9.67	273,842	9.36	29,207
Printed Matter					
Chemicals and Allied Products					
Alcohols	638	0.02	1,139	0.04	-501
Chemicals	108,572	3.47	72,091	2.46	36,481
Fertilizers	274,117	8.75	223,004	7.62	51,113
Others	52,257	1.67	42,722	1.46	9,535
Total	527,951	16.85	436,661	14.92	91,290

—Decrease

CLASSIFICATION OF FREIGHT TRAFFIC

COMMODITY	1966		1965		Increase or Decrease TONS
	No. of TONS	Pct. to TOTAL TONS	No. of TONS	Pct. to TOTAL TONS	
Petroleum and Coal Products					
Gasoline	1,528	0.05	493	0.02	1,035
Liquefied Petroleum Gases	45,237	1.44	50,480	1.72	-5,243
Lubricating Oil and Greases	23,212	0.74	20,805	0.71	2,407
Others	135,576	4.33	99,464	3.40	36,112
Total	205,553	6.56	171,242	5.85	34,311
Rubber and Miscellaneous Plastic Products					
Stone, Clay and Glass Products	20,579	0.66	6,489	0.22	14,090
Abrasives, Asbestos, etc.	74,229	2.37	69,111	2.36	5,118
Brick	66,373	2.12	93,351	3.19	-26,978
Cement	106,632	3.40	107,388	3.67	-756
Others	40,351	1.29	38,402	1.32	1,949
Total	287,585	9.18	308,252	10.54	-20,667
Primary Metal Products					
Fabricated Metal Products, Except Ordnance	89,792	2.87	103,870	3.55	-14,078
Machinery and Transportation	50,011	1.60	34,961	1.19	15,050
Machinery, Except Electrical	11,959	0.38	8,696	0.30	3,263
Electrical Machinery, Equipment and Supplies	8,535	0.27	7,908	0.27	627
Transportation Equipment	28,493	0.91	10,282	0.35	18,211
Instruments, Photographic and Optical Goods,					
Watches and Clocks	10		55	0.00	-45
Miscellaneous Products of Manufacturing	2,674	0.09	1,821	0.06	853
Waste and Scrap Materials					
Iron and Steel Scrap	16,418	0.52	17,038	0.58	-620
Textile Waste, Scrap and Sweepings	43,152	1.38	42,831	1.47	321
Others	25,048	0.80	19,302	0.66	5,746
Total	84,618	2.70	79,171	2.71	5,447
Miscellaneous Freight Shipments					
Containers, Shipping, Returned Empty	1,968	0.06	1,885	0.07	83
Freight Forwarder Traffic	737	0.02	578	0.02	159
Shipper Association or Similar Traffic	1,613	0.05	992	0.03	621
Miscellaneous Mixed Shipments, Except Forwarder and Shipper Association	2,082	0.07	1,265	0.04	817
Grand Total Carload Traffic	3,130,222	99.93	2,923,722	99.91	206,500
Small Packaged Freight Shipments	2,298	0.07	2,658	0.09	-360
Grand Total Carload and LCL Traffic	3,132,520	100.00	2,926,380	100.00	206,140

--Decrease

FREIGHT AND PASSENGER STATISTICS

FREIGHT TRAFFIC	1966	1965	Increase or Decrease	
			Amount	Percent
1 Number of tons carried.....	3,132,520	2,926,380	206,140	7.04
2 Number of tons carried one mile.....	226,088,411	209,042,747	17,045,664	8.15
3 Number of tons per mile of road (Average).....	34.636	32.357	2,279	7.04
4 Number of tons carried one mile per mile of road.....	2,499,872	2,311,397	188,475	8.15
5 Number of tons in each train (Average).....	1,183.42	1,098.90	84.52	7.69
6 Number of tons in each loaded car (Average).....	31.04	30.51	0.53	1.74
7 Average distance one ton carried (Miles).....	72.17	71.44	0.73	1.02
8 Revenue per ton per mile.....	\$ 0.01374	\$ 0.01388	\$ —0.14	—1.01
9 Revenue per mile of road.....	34,351.69	32,077.94	2,273.75	7.08
10 Revenue per freight train mile.....	22.05	20.59	1.46	7.09
11 Revenue per freight car mile—Loads.....	0.57853	0.57161	0.00692	1.21
12 Revenue per freight car mile—Total.....	0.36511	0.36517	—0.00006	—0.02
13 Revenue per ton.....	0.99	0.99		
 PASSENGER TRAFFIC				
1 Number of passengers carried.....	65,142	68,427	—3,285	—4.80
2 Number of passengers carried one mile.....	5,409,217	5,709,953	—300,736	—5.27
3 Number of passengers per mile of road (Average).....	757	795	—38	—4.78
4 Number of pass. carried one mile per mile of road.....	62,839	66,333	—3,494	—5.27
5 Number of passengers in each train (Average).....	50	50		
6 Number of passengers in each car (Average).....	15	14	1	7.14
7 Average distance each passenger (Miles).....	83.04	83.45	—0.41	—0.49
8 Passenger service train revenue per mile of road.....	\$ 5,609.06	\$ 5,645.25	\$ —36.19	—0.64
9 Passenger service train revenue per pass. train mile.....	4.31	4.12	0.19	4.61
10 Passenger service train revenue per pass. car mile.....	0.47471	0.47398	0.00073	0.15
11 Revenue per passenger per mile.....	0.03160	0.03098	0.00062	2.00
12 Revenue per passenger.....	2.62	2.59	0.03	1.16
 ALL TRAFFIC				
Railway operating revenues per mile of road.....	\$ 40,652.15	\$ 38,166.78	\$ 2,485.37	6.51
Railway operating revenues per revenue train mile.....	15.00	13.76	1.24	9.01
Railway operating expenses per mile of road.....	\$ 34,433.64	\$ 34,008.75	\$ 424.89	1.25
Railway operating expenses per revenue train mile.....	12.71	12.27	0.44	3.59
Per cent of railway operating expenses to oper. revenue.....	84.70	89.11	—4.41	—4.95
Net revenue per mile of road.....	\$ 6,218.51	\$ 4,158.03	\$ 2,060.48	49.55
Net revenue per revenue train mile.....	2.29	1.49	0.80	53.69
Per cent of net revenue to total revenue.....	15.30	10.89	4.41	40.50
Railway operating expenses and taxes per mile of road.....	\$ 36,818.54	\$ 36,230.95	\$ 587.59	1.62
Railway operating expenses and taxes per rev. train mile.....	13.59	13.07	0.52	3.98
Per cent of operating expenses and taxes to total revenues.....	90.57	94.93	—4.36	—4.59

—Decrease.

TRAIN, LOCOMOTIVE AND CAR MILES

CLASS	1966	1965	Increase or Decrease
TRAIN MILES			
801 Freight.....	140,874	140,908	—34
802 Passenger.....	112,006	117,819	—5,813
Total Revenue Service Train Miles.....	252,880	258,727	—5,847
805 Non-Revenue Service Train Miles.....	632	368	264
TOTAL TRAIN MILES.....	253,512	259,095	—5,583
LOCOMOTIVE MILES			
811 Freight—Principal.....	140,874	140,908	—34
Freight—Trailing Units.....	229,691	229,890	—199
812 Passenger—Principal.....	112,006	117,819	—5,813
Passenger—Trailing Units.....	145,775	134,493	11,282
Passenger—Light.....	9,053	8,835	218
815 Switching—Train.....	54,927	68,710	—13,783
816 Switching—Yard—Freight.....	30,191	26,730	3,461
Total Revenue Locomotive Miles.....	722,517	727,385	—4,868
817 Non-Revenue Locomotive Miles.....	632	368	264
TOTAL LOCOMOTIVE MILES.....	723,149	727,753	—4,604
FREIGHT CAR MILES			
821 Freight Loaded.....	5,370,132	5,075,333	294,799
Freight Empty.....	3,010,396	2,740,662	269,734
System Caboose.....	128,423	128,580	—157
Freight Car Miles in Passenger Trains.....	256		256
Total Freight Car Miles.....	8,509,207	7,944,575	564,632
PASSENGER CAR MILES			
822 Passenger Coaches.....	181,775	234,356	—52,581
Sleeping and Parlor Cars.....	197,760	185,961	11,799
Club, Lounge, Dining and Observation.....	63,612	56,345	7,267
Business.....	2,224	1,623	601
Mail, Express and Baggage.....	571,738	546,688	25,050
Combination Passenger and Baggage.....		257	—257
Total Passenger Car Miles.....	1,017,109	1,025,230	—8,121
Total Revenue Car Miles.....	9,526,316	8,969,805	556,511
825 Non-Revenue Service Car Miles.....	3,368	279	3,089
TOTAL CAR MILES.....	9,529,684	8,970,084	559,600

—Decrease

PROPERTIES—ROAD, EQUIPMENT AND GENERAL

	Total	Road	Equipment	General Expenditures	Other
Balance, January 1, 1966.....	\$ 11,293,665	\$ 6,978,853	\$ 5,489,886		\$ —1,175,074
Additions.....	188,971	65,902	4,736		118,333
Total.....	11,482,636	7,044,755	5,494,622		—1,056,741
Retirements.....	174,489	27,278	143,741		3,470
Balance, December 31, 1966.....	\$ 11,308,147	\$ 7,017,477	\$ 5,350,881		\$ —1,060,211

Principal additions to property consisted of the following:

ROAD:

Replace worn and lighter rail and track fixtures with heavier material, Main Line.....	\$ 26,156
Extend industrial lead track to serve St. Joe Paper Co., College Park, Ga.....	5,686
	<u>\$ 31,842</u>

INVESTMENT IN ROAD, EQUIPMENT AND GENERAL FOR YEAR ENDED DECEMBER 31, 1966

ROAD	Additions	Retirements	Net Total
1 Engineering.....	\$	\$ 1,993.45	\$ —1,933.45
2 Land for transportation purposes.....	4.25		4.25
3 Grading.....	212.94	2,056.39	—1,843.45
6 Bridges, trestles and culverts.....		12.48	—12.48
8 Ties.....	2,745.56	3,071.71	—326.15
9 Rails.....	13,153.21	4,915.09	8,238.12
10 Other track material.....	16,024.36	7,199.46	8,824.90
11 Ballast.....	661.80	567.34	94.46
12 Track laying and surfacing.....	1,277.89	2,019.27	—741.38
13 Fences, snowsheds and signs.....		.94	—.94
16 Station and office buildings.....	27,160.02		27,160.02
17 Roadway buildings.....		1,195.06	—1,195.06
26 Communication systems.....	1,257.61		1,257.61
27 Signals and interlockers.....	2,510.46	4,306.92	—1,796.46
37 Roadway machines.....	412.39		412.39
39 Public improvements—Construction.....	481.72		481.72
Total expenditures for road.....	65,902.21	27,278.11	38,624.10

EQUIPMENT

52 Other locomotives.....	9,600.00	—9,600.00
53 Freight-train cars.....	41,406.70	—41,406.70
54 Passenger-train cars.....	87,054.69	—87,054.69
57 Work equipment.....	2,786.42	—2,786.42
58 Miscellaneous equipment.....	4,735.73	2,892.96
Total expenditures for equipment.....	4,735.73	143,740.77
		—139,005.04

GENERAL AND OTHER

Work in progress.....	118,332.70	118,332.70
Miscellaneous.....		3,469.80
Total expenditures for general and other.....	118,332.70	3,469.80
TOTAL.....	\$ 188,970.64	\$ 14,481.96

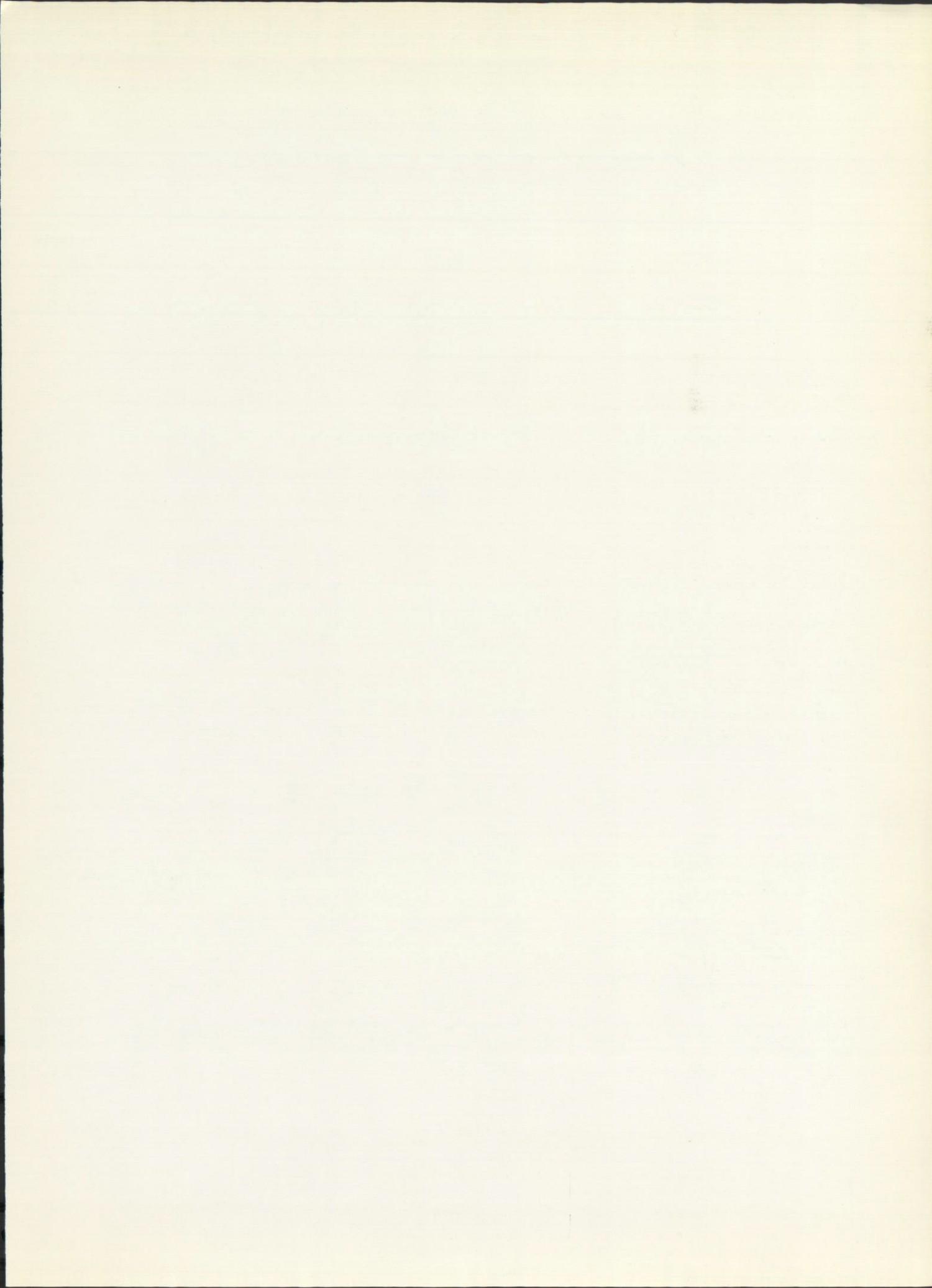
—Decrease

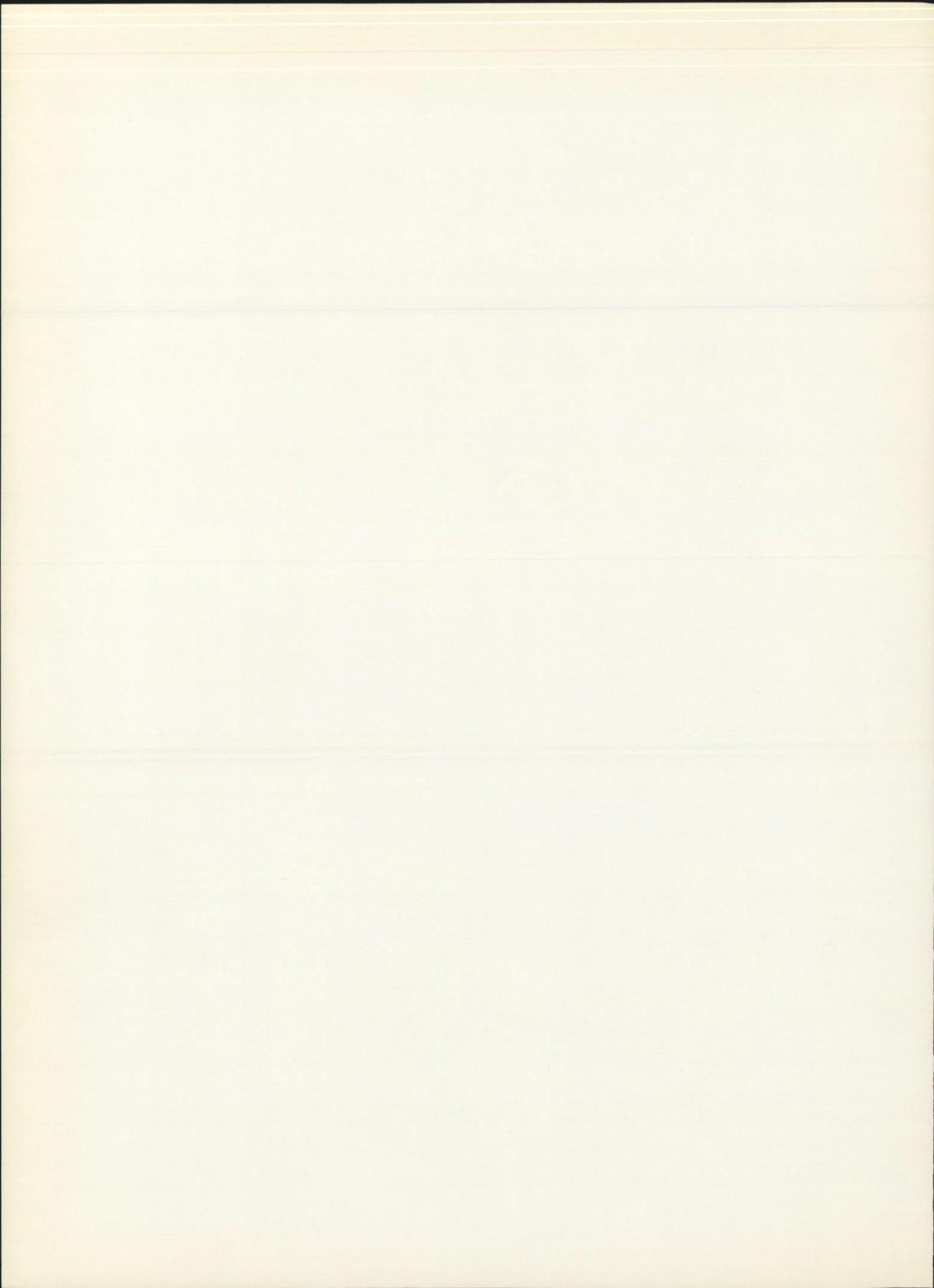
EQUIPMENT OWNED
December 31, 1962 to 1966

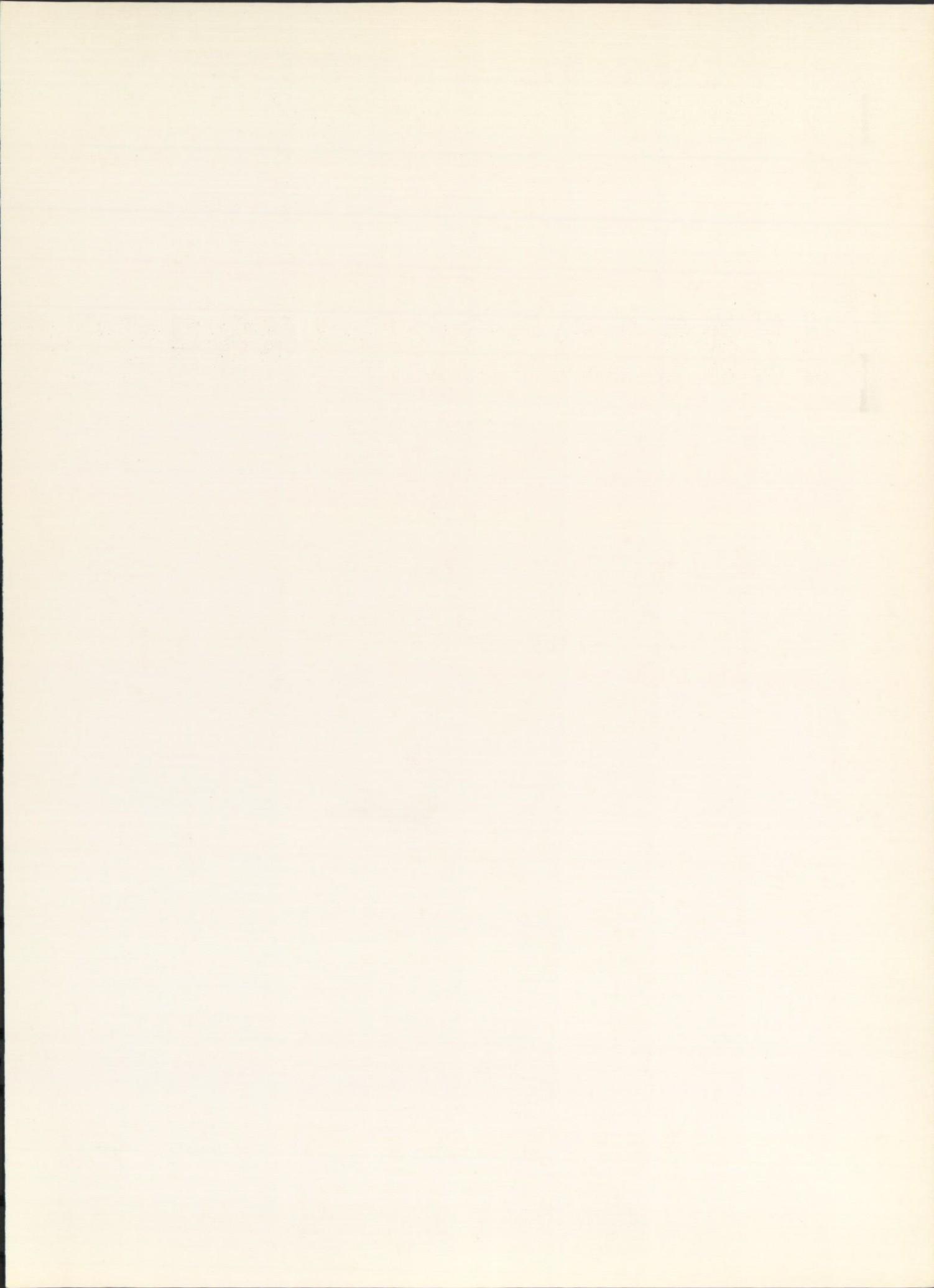
	1966	1965	1964	1963	1962
Diesel Locomotive Units	10	10	11	11	11
Average Age (Years)	15.90	14.90	13.81	12.81	11.81
Freight Train Cars:					
Box	378	385	343	344	362
Flat	20	22	22	22	24
Gondola	24	24	24	52	53
Hopper	72	73	75	75	82
Racks	45	45	45	45	45
Caboose	6	6	6	6	7
Total Freight Equipment	545	555	515	544	573
Tonnage Capacity of Freight Equipment	31,246	28,970	25,986	27,860	28,660
Average Age (Years)	17.95	17.14	18.62	18.07	19.36
Passenger Train Cars:					
Coaches	3	6	6	6	6
Sleeping	1	1	4	4	4
Dining	1	1	1	1	1
Combination Mail and Baggage	1	1	1	1	1
Baggage, Express and other Non-Passenger Carrying Cars	2	2	7	7	7
Total Passenger Train Equipment	8	11	19	19	19
Investment in Above Equipment:					
(December 31)	\$ 5,251,751	\$ 5,389,813	\$ 4,853,493	\$ 4,943,208	\$ 4,771,785
Investment in Company Service Equipment	99,130	100,073	97,493	100,304	100,094
Total Investment in Equipment	\$ 5,350,881	\$ 5,489,886	\$ 4,950,986	\$ 5,043,512	\$ 4,871,879

EQUIPMENT OBLIGATIONS, DECEMBER 31, 1966

Description and Date	Amount	Unpaid Dec. 31, 1966	Installments Payable	Interest Rate Percent	Final Payment Due or Paid	Matured or Paid During Year 1966
Conditional Sale Agreements:						
December 16, 1950	\$ 513,000.00	\$ 21,930.00	Monthly	2.85	Mar. 1, 1966	\$ 4,198.00
April 1, 1952	413,100.00	21,930.00	Monthly	3.00	Oct. 19, 1967	26,316.00
October 1, 1952	151,800.00	10,120.00	Quarterly	3.25	Nov. 1, 1967	10,120.00
February 15, 1956	220,823.79	64,141.77	Monthly	3.35	July 1, 1971	14,921.28
February 15, 1956	242,601.15	68,733.72	Monthly	3.35	Apr. 1, 1971	16,172.64
October 10, 1960	248,400.00	149,040.00	Quarterly	4.50	Jan. 1, 1976	16,560.00
April 16, 1963	236,400.00	181,240.00	Quarterly	4.20	May 1, 1978	15,760.00
February 9, 1965	114,011.10	101,343.10	Monthly	4.50	May 1, 1980	7,600.80
May 19, 1965	655,524.00	593,613.40	Monthly	4.75	Aug. 1, 1980	43,701.60
Total	\$ 2,795,660.04	\$ 1,190,161.99				\$ 155,350.32









ATLANTA AND WEST POINT RAIL ROAD COMPANY / 4 HUNTER ST. / ATLANTA, GA.